

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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<i>In re</i>	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO,	:	(Jointly Administered)
<i>et al.</i> , ¹	:	
	:	
Debtors.	:	
	:	
	:	
	X	
	:	
<i>In re</i>	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-04780 (LTS)
	:	
PUERTO RICO ELECTRIC POWER	:	Court Filing Relates Only to PREPA
AUTHORITY (PREPA),	:	
	:	
Debtor.	:	
	:	
	X	

**JOINDER OF CORTLAND CAPITAL MARKET SERVICES LLC, AS
ADMINISTRATIVE AGENT, AND SOLUS TO OFFICIAL COMMITTEE OF
UNSECURED CREDITORS' OBJECTION TO JOSE ORTIZ DEPOSITION NOTICE**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

Cortland Capital Market Services LLC (“Cortland”), as successor administrative agent for lenders under a Credit Agreement, dated as of May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and certain lenders, and SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD, and Ultra NB LLC (collectively, “Solus”), as lenders to PREPA under a Trade Finance Facility Agreement, dated as of July 20, 2012, among PREPA and Citibank, N.A., respectfully join in the objection of the Official Committee of Unsecured Creditors to *AAFAF and PREPA’s Urgent Motion for Protective Order Quashing Official Committee of Unsecured Creditors’ Deposition Notice to Jose Ortiz* (the “Motion to Quash” or “MTQ”) [Dkt. No. 1625].²

1. The Fuel Line Lenders agree with the Committee that a deposition of Mr. Ortiz is appropriate.

2. Although the Motion to Quash is directed only at that deposition, it includes gratuitous statements regarding the Fuel Line Lenders, including a statement that the Fuel Line Lenders have “refused to abide by” the discovery schedule. MTQ ¶ 4. That is not accurate. Rather, after the initial deadlines for document requests and deposition notices, the Fuel Line Lenders have only served targeted additional requests based on specific new information.

3. *First*, the Government Parties assert that the Fuel Line Lenders’ discovery requests with respect to the Rate Motion³ were “untimely.” MTQ ¶ 5. The Rate Motion was filed with the Puerto Rico Energy Bureau (“PREB”) — and not in PREPA’s Title III case — on July 3, but the Fuel Line Lenders only became aware of the motion on July 15. They served discovery requests *that same day*. After motion practice relating to the “timeliness” issue,

² Capitalized terms not defined have the meanings given in the Motion to Quash.

³ References to the “Rate Motion” are to *PREPA’s Conditional Motion to Make an Offsetting Change in Base Rate Charges, In re the P.R. Elec. Power Auth. Initial Rate Rev.*, No. CEPR-AP-2015-0001 (PREB July 3, 2019), *available at* Dkt. No. 1557-1.

among other things, Dkt. No. 1557, the parties reached a tentative agreement, reserving rights to return to Court if they are “unable to reach agreement” on open issues, Dkt. No. 1597.

4. The Fuel Line Lenders served the Rate Motion discovery because the Rate Motion, as filed with the PREB, relates directly to statements made by the Government Parties to support the settlement. Specifically, the Government Parties have argued that the Settlement Charge would not prejudice other creditors because, among other things, PREPA will “only” pay the bondholders “out of a special, new charge.” Dkt. No. 1425 ¶ 103; *accord* Dkt. No. 1235 ¶ 68 (“[T]he payments to the Supporting Holders are coming from new—not existing—charges.”). In the Rate Motion, however, PREPA has sought a reduction in its base rates to “offset” the new “Settlement Charge” dollar-for-dollar. Rate Motion ¶ 11. This “offset” raises questions about the arguments made by the Government Parties in support of the settlement.

5. *Second*, the Government Parties state that the Fuel Line Lenders served “untimely” document requests on July 23, 2019 “related to the treatment of the Fuel Line Loans as Current Expenses.” MTQ ¶ 6. Those requests were served because, two business days earlier, on July 19, the Government Parties had filed a 35-page second supplemental memorandum making various new arguments. Dkt. No. 1486. The Fuel Line Lenders’ document requests were each narrowly focused on specific statements made by the Government Parties in the July 19 supplement. As with the Rate Motion discovery, the parties have reached a consensual resolution with respect to those requests.

6. *Third*, the Government Parties assert that the Fuel Line Lenders’ notice of deposition to Mr. Jose Roque Torres, PREPA’s treasurer, is “untimely.” MTQ ¶ 7. But again, the Fuel Line Lenders noticed this deposition after the filing of the July 19 supplement, in which the Government Parties made various new arguments, including arguments relating to PREPA’s

budget and determinations made by PREPA. Moreover, the Government Parties first announced on July 30 that they would be withdrawing Christian Sobrino as a witness. July 30 Tr. 31:19–32:3. The deposition notice, accordingly, was in response to a supplemental filing and the withdrawal of another PREPA witness. Regardless, the parties have agreed to defer consideration of the deposition notice until the Government Parties complete their document productions and PREPA’s Rule 30(b)(6) deposition takes place.

7. In sum, there are no live discovery disputes between the Government Parties and the Fuel Line Lenders that require the Court’s intervention at this time. The gratuitous statements in the Motion to Quash regarding the Fuel Line Lenders should be disregarded.

Dated: September 6, 2019

Respectfully submitted,

/s/ Nayuan Zouairabani

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